

EXHIBIT 134

Page 1

1

2 UNITED STATES DISTRICT COURT
3 SOUTHERN DISTRICT OF NEW YORK
4 Case No. 18-CV-01047 (PGG)

5 -----x

6 EIG ENERGY FUND XIV, L.P.,
7 EIG ENERGY FUND XIV-A, L.P.,
8 EIG ENERGY FUND XIV-B, L.P.,
9 EIG ENERGY FUND XIV (CAYMAN), L.P.,
10 EIG ENERGY FUND XV, L.P.,
11 EIG ENERGY FUND XV-A, 6 L.P.,
12 EIG ENERGY FUND XV-B, L.P., AND
13 EIG ENERGY FUND XV (CAYMAN), L.P.,

14 Plaintiffs,

15 - against -

16 KEPPEL OFFSHOFE & MARINE LTD.,
17 Defendant.

18 -----x

19 July 30, 2021
20 8:59 a.m.

21

22 ** CONFIDENTIAL TRANSCRIPT **

23

24 Videotaped Deposition of ROBERT
25 BLAIR THOMAS, pursuant to Notice, held via
Zoom Conference, before Jineen Pavesi, a
Registered Professional Reporter,
Registered Merit Reporter, Certified
Realtime Reporter and Notary Public of the
State of New York.

Page 66

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2 Q. What additional due diligence
3 did EIG in fact undertake with respect to
4 corruption risk for the Sete investment?

5 A. Quite a bit actually.

6 Again, we engaged counsel, both
7 local and international; we canvassed our
8 network of contacts in the market; and
9 then we looked at -- again, we were very
10 careful about who we chose as
11 counterparties.

12 And so our view was that
13 Petrobras was the gold standard in Brazil,
14 so if you were going to make any
15 investment in Brazil, doing something with
16 Petrobras was as good as you could do.

17 And so we would much rather
18 contract with them than, you know, some
19 people were doing deals with the shipyards
20 or with the construction companies, like
21 Oko Breck (sic) raised a bunch of money.

22 We weren't interested in those
23 deals because those weren't blue chip
24 companies.

25 Petrobras is the gold standard

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2 in Brazil and so choice of counterparty
3 was mutually important.

4 Q. Did Petrobras in any way
5 guarantee your investment in Sete?

6 A. No, but they were the sponsor
7 of Sete and all the contracts were for the
8 benefit of Petrobras and so this was --
9 again, Sete in our view was a Petrobras
10 financing conduit and really not much
11 more.

12 Q. You mentioned retention of
13 counsel.

14 I don't want you to go into any
15 privileged communication, but how does
16 retention of counsel help in the due
17 diligence process for corruption risk?

18 A. The local counsel we found is a
19 good source of information and are plugged
20 in in the local community and will often
21 identify any red flags.

22 And so in terms of the network
23 of people that we would talk to to try to
24 get a sense of any issues, they're
25 certainly on the list.

Page 90

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2 And so making sure that we were
3 aligned with them and that this financing
4 was enabling them to accomplish their
5 business objective, that was the heart of
6 the entire deal.

7 And as I said earlier, the
8 involvement of the largest local pension
9 plans, including their own pension plan,
10 provided us real comfort.

11 Q. Did you consider the
12 possibility that Petrobras itself was
13 engaged in corruption?

14 A. We did not or I did not.

15 Q. Of course if Petrobras was
16 engaged in corruption, then aligning
17 yourself with Petrobras wouldn't provide
18 any corruption risk protection, would it?

19 MR. GOLDMAN: Object to form.

20 Answer if you can.

21 A. Any counterparty that we
22 believed was engaged in corruption, we
23 would immediately terminate any
24 involvement in a potential transaction.

25 So it's, you know, a complete

Page 91

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2 full stop if you believe that there are
3 participants in corruption.

4 So, yes, there is no chance we
5 would have proceeded.

6 Q. What I was trying to get at was
7 that you viewed aligning yourself with
8 Petrobras as a hedge against corruption
9 risk, is that correct?

10 A. Correct.

11 Q. And did you consider the
12 possibility that if Petrobras was itself
13 engaged in corruption, that wouldn't be a
14 hedge against corruption risk?

15 A. I did not think that that was a
16 possibility; as I said, this is the gold
17 standard company in Brazil, I believe it
18 was the largest company, it was a source
19 of national pride, it was a company that
20 in our industry had a very good
21 reputation, we had had some history with
22 them through other investments.

23 Prior to Lava Jato, Petrobras
24 was widely respected in the energy
25 industry around the world, this wasn't

Page 92

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2 unique to us, and the fact that every
3 major energy company in the world was
4 going into Brazil to be in business with
5 Petrobras also provided us comfort.

6 So obviously Shell didn't think
7 Petrobras was engaged in bribery, BP
8 didn't think that, Exxon didn't think
9 that, because they were all doing the
10 exact same thing.

11 And so I think to me it was not
12 -- it was just not in my view at the time,
13 was just not a possibility that Petrobras
14 would do that.

15 Q. But ultimately it turned out
16 through Lava Jato or Car Wash that
17 Petrobras was in fact engaged in bribery
18 and corruption, right?

19 A. That's correct.

20 Q. Since that time has EIG done
21 any business with Petrobras?

22 A. Yes, we have existing
23 businesses with them that didn't go away
24 when this happened, both at Prumo
25 Logistica and TBG, we continued to be in

Page 96

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2 That wasn't possible because of
3 the local content requirement and so to
4 get comfort on the shipyard's ability to
5 deliver, we really looked to the
6 international partners, these were
7 well-established names in the space and
8 getting comfort that they were confident
9 that they could deliver.

10 Q. Do you recall any discussion of
11 corruption risk relating to shipyards?

12 A. I don't, no.

13 Again, these were -- we didn't
14 really focus on the local guys; and the
15 international guys, again, were the
16 biggest players in the industry.

17 Q. And at the time of the June
18 2011 investment committee meeting, you
19 didn't know for sure which shipyards were
20 going to get contracts from Sete, correct?

21 A. That's correct.

22 Q. You didn't know whether Keppel
23 would ever get a contract from Sete,
24 correct?

25 A. That's right, but, again, just

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2 to be clear, June 2011 is an investment
3 committee approval, it is not an
4 investment; the investment didn't happen
5 for some time.

6 Q. But as of June 2011, you were
7 committed to make the investment, were you
8 not?

9 A. No, we were not; we had signed
10 an equity commitment letter, we had not
11 signed transaction documents.

12 Q. When did you sign the
13 transaction documents?

14 A. I think it was July or August
15 of 2012.

16 Q. And what additional due
17 diligence was done between June 2011 and
18 when the actual contracts were signed in
19 2012?

20 A. Quite a bit; we were in regular
21 contact with the management team at Sete,
22 we were in regular contact with Petrobras,
23 we were in regular dialogue with the other
24 investors, the existing round 1 investors
25 in Sete, we were monitoring the status of

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2 was just targeted for Fund XIV, we now had
3 a new pool of capital and were deciding
4 whether to try to get an increased
5 allocation in Sete and have the new fund
6 invest alongside the existing fund.

7 Q. Why not just have Fund XIV
8 increase its investment?

9 A. Because you're trying to manage
10 the diversification criteria of each fund
11 and so for each fund we try to be -- you
12 know, have a diversified portfolio and so
13 that would likely be the reason.

14 Q. Do you recall any discussion
15 concerning bribery or corruption risk at
16 this meeting?

17 A. I don't.

18 Q. Do you recall any discussion of
19 specific shipyards at this meeting?

20 A. I don't.

21 Q. Do you recall any discussion of
22 Keppel at this meeting?

23 A. No.

24 Q. As we established, so EIG began
25 funding its equity commitments to Sete

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2 around August of 2012, correct?

3 A. I am not sure when we funded,
4 but that was when we actually entered into
5 an investment.

6 And so up until then it had
7 just been commitment letters and we were
8 not guaranteed any allocation in the
9 equity.

10 And so it was only in the
11 summer of 2012 that an allocation was made
12 and we made an actual investment and then
13 I'm not sure of how quickly that funded.

14 Q. The investment committees did
15 not meet again to discuss the Sete
16 investment between September of 2011 and
17 August of 2012, correct?

18 A. Not for a new approval.

19 As I said, it meets every week
20 and all of the investments that are in the
21 pipeline will typically get some
22 discussion and so the committee was
23 informed along the way, people were
24 wondering, you know, why hadn't Sete
25 closed and so there was frequent

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2 discussion about that over that period of
3 time.

4 But, no, the committee, there
5 was no need for the committee to come back
6 and reconvene for an approval; there was
7 nothing to approve.

8 Q. And the committee did not need
9 to approve the actual signing of the
10 agreements in August of 2012 because of
11 its prior approval of the investment,
12 right?

13 A. That's correct.

14 Q. There was an investor
15 conference that EIG held in 2011, do you
16 recall that?

17 A. I do.

18 Q. What was the purpose of that
19 conference?

20 A. We're required under our fund
21 documents to have an annual general
22 meeting once a year for our investors and
23 that's what that is.

24 And so we typically hold it in
25 the fall, we invite all of our investors

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2 around the world to attend and it's
3 usually a full day and we'll review the
4 existing portfolios and then we also like
5 to have one or two thematic topics of
6 relevance to our industry that we talk
7 about.

8 Q. Were there any presentations or
9 videos related to Sete at this conference?

10 A. I believe there was.

11 Q. What do you recall?

12 A. I believe what we wanted to do
13 was use the proposed investment in Sete as
14 a way to educate our clients about what
15 was happening in Brazil.

16 And so different in time, but
17 very similar to the white paper, was there
18 is this really big thing happening in our
19 industry and if we wanted to educate our
20 clients about it and the contemplated
21 investment in Sete was a way to do that.

22 Q. And there was a video shown
23 relating to Sete, correct?

24 A. I believe there was, yes.

25 Q. What do you recall about the

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2 video?

3 A. We do these every year;
4 typically we'll identify four or five
5 either investments or proposed investments
6 where we think it is interesting, it may
7 be interesting because of, again, a big
8 trend in the industry, it may be
9 interesting because of a new technology or
10 geography and so we'll identify a handful
11 of investments every year and then there
12 is a media firm that we use that goes and
13 shoots footage.

14 And typically these videos are,
15 you know, three or three-and-a-half
16 minutes long.

17 Q. Sitting here today, do you
18 think there was anything inaccurate in any
19 of the presentations or videos related to
20 Sete at that 2011 investors conference?

21 A. I'd have to go back and look at
22 the material.

23 I know when prepared everything
24 in it we believed to be true.

25 You know, whether or not we

Page 107

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2 were mistaken about anything I don't know.

3 Q. Were individual shipyards
4 discussed at that investor conference?

5 A. I believe there was footage
6 included in that, so it was part of the
7 video.

8 Q. And do you recall whether the
9 specific shipyard was identified in the
10 video?

11 A. I believe it was identified as
12 Keppel.

13 Q. Do you recall any discussion
14 relating to Keppel beyond simply them
15 appearing in the video?

16 A. I don't; the context I think
17 was to convey a sense that it wasn't just
18 us saying that Brazil was a big deal, all
19 the big boys were there and certainly that
20 audience, our audience, in an energy
21 crowd, everybody recognized the Keppel
22 name and knew they were one of the leading
23 players in the industry.

24 And so, again, the fact that
25 the leading players in the industry, just

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2 like Shell and BP and Exxon, are involved
3 give people comfort that it is not just us
4 saying this is a big deal, these other
5 companies view it as a big deal, too.

6 Q. Do you recall any discussion
7 relating to bribery or corruption risk at
8 that conference?

9 A. I do not.

10 Q. Sete incurred financing issues
11 over the course of your relationship with
12 Sete, correct?

13 MR. GOLDMAN: Object to form,
14 but you can answer.

15 A. Well, it was a financing
16 vehicle, so it's raise on DETRA (sic), in
17 our view, was to enable financing, so,
18 yes, it was constantly securing capital
19 and refinancing capital; it was a
20 securitization vehicle, in our view.

21 Q. And over time it encountered
22 difficulties getting financing, didn't it?

23 A. It did.

24 Q. And it encountered difficulties
25 getting financing prior to Lava Jato being

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2 disclosed, correct?

3 A. Nothing out of the ordinary, in
4 my opinion.

5 The scale of the financing
6 required was large, but the company had a
7 lot of alternatives and so there was quite
8 a bit of discussion about optimizing the
9 financing and which form of financing was
10 cheaper, but, you know, this was a high
11 profile transaction in the market globally
12 and they had demonstrated an ability to
13 raise significant amounts of capital.

14 So, yeah, I never -- it wasn't
15 generally a question of if they could
16 raise financing, it was at what cost.

17 Q. EIG entered into a loan
18 agreement with Sete in December of 2011,
19 correct?

20 A. I believe that's correct, yes.

21 Q. For a hundred million dollars
22 U.S.?

23 A. That sounds correct, yes.

24 Q. Why did that occur?

25 A. Again, we were in a very

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2 Q. And was the waiver approved?

3 A. I believe so.

4 Q. Are you aware of what happened
5 to oil prices in 2014?

6 A. Generally, yes.

7 Q. What happened?

8 A. Well, not dissimilar from most
9 years, they were volatile and so they were
10 high at the beginning of the year and low
11 at the end of the year, similar to this
12 year.

13 Q. So by the time of this meeting
14 in September of 2014, oil prices had
15 decreased, correct?

16 A. Correct, but that was a
17 nonissue for us.

18 Again, Sete didn't own any oil,
19 Sete didn't sell any oil, the contract
20 wasn't tied to oil, Sete had a take or pay
21 contract, and so the risk on oil prices
22 was a Petrobras risk, not a Sete risk, not
23 an EIG risk, and so we weren't tracking
24 oil prices and worried about whether it
25 was up or down at any point in time.